



Saskatchewan

**Report of the Provincial Auditor
to the Legislative Assembly
of Saskatchewan**

on

**the Financial Statements of
Crown Agencies**

**for Years Ending in the
calendar year 1999**

Our vision

We envision effective, open and accountable government.

Our mission

We serve the people of Saskatchewan through the Legislative Assembly. We are committed to fostering excellence in public sector management and accountability.

Our values

As employees of the Office of the Provincial Auditor, we know our efforts and values determine whether our Office is successful. Our values guide our efforts and bind us together. We embrace the following values:

- **Accountability** – actively taking responsibility for and explaining our actions;
- **Credibility** – earning and keeping the respect and confidence of our stakeholders;
- **Equity** – being fair to others;
- **Professionalism** – being objective, independent and courteous, and acting with integrity;
- **Effectiveness** – achieving planned goals and objectives;
- **Leadership** – setting a good example and accomplishing positive results;
- **Innovation** – seeking better ways to achieve results;
- **Teamwork** – working together to achieve results; and
- **Balance** – respecting work, home and community responsibilities.

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April 18, 2000

The Honourable R. Osika
Speaker of the Legislative Assembly
Room 129, Legislative Building
REGINA, Saskatchewan
S4S 0B3

Dear Sir:

I have the honour to submit my *Report of the Provincial Auditor to the Legislative Assembly of Saskatchewan on the Financial Statements of Crown Agencies for Years Ending in the calendar year 1999* to be laid before the Legislative Assembly in accordance with the provisions of section 14 of *The Provincial Auditor Act*.

Respectfully submitted,

Wayne Strelloff

Wayne Strelloff, CA
Provincial Auditor

/gb



**Our Report on the
Financial Statements of Crown Agencies for Years
Ending in the calendar year 1999**

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Purpose

The purpose of this Report is to inform the Legislative Assembly of our Office's views on the financial statements of Crown agencies whose accounts are audited by appointed auditors, for years ending in the calendar year ending December 31, 1999. This Report does not include our views on the financial statements of Crown Investments Corporation of Saskatchewan's (CIC) subsidiary corporations. We provide our views on CIC subsidiary Crown corporations to the Assembly in a separate report.

Background

The Legislative Assembly allows the Government to appoint auditors (appointed auditor) to examine and report on certain Crown agencies. The Provincial Auditor, however, retains overall responsibility for the audits of all Crown agencies.

In June 1994, the *Report of the Task Force on the Roles, Responsibilities and Duties of Auditors* (<http://www.auditor.sk.ca/rrd.html>) recommended how the audit system for CIC and its subsidiary Crown corporations could function more efficiently and effectively. In April 1995, Treasury Board decided that all Crown corporations and agencies should comply with the Task Force's recommendations. Our Office, Crown agencies, and appointed auditors use the Task Force's recommendations to better serve the needs of the Assembly.

To ensure the Assembly is informed of our Office's participation in the audits of Crown agencies, the Task Force recommended we provide to the Assembly a report listing those agencies in whose audits we participated.

The objectives of each audit, as agreed with the appointed auditors, are to form the following opinions and to report the results to the Assembly.

- ◆ An opinion on the rules and procedures used by the agency to safeguard and control its assets and to ensure compliance with authorities pertaining to it. The audit is limited to those authorities relating to financial reporting, safeguarding assets, revenue raising, spending, borrowing and investing activities.

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- ♦ An opinion on the agency's compliance with those authorities.
- ♦ An opinion on the reliability of the agency's financial statements.

Our 1999 Fall Report - Volume 2 reported the results of these audits for audits completed by October 31, 1999. We will report the results of the remaining audits in 2000. The appointed auditors' reports on the reliability of Crown agencies' financial statements are attached to the agencies' financial statements.

The Government's summary financial statements include the financial results of all Crown agencies controlled by the Government. *Public Accounts 1998-99 Volume 1, Main Financial Statements, Saskatchewan* includes my auditor's report on the Government's statements for the year ended March 31, 1999.

Results

We participated in all audits of Crown agencies, except as noted below.

- ♦ First Nations Fund, SaskPen Properties Ltd. and SP Two Properties Ltd. did not allow our Office to participate in the audits of these agencies.
- ♦ We did not participate in the audits of Saskatchewan Alfalfa Seed Producers' Development Commission, Saskatchewan Broiler Hatching Egg Producers' Marketing Board, Saskatchewan Chicken Marketing Board, Saskatchewan Commercial Egg Producers' Marketing Board, Saskatchewan Flax Development Commission, Saskatchewan Pulse Crop Development Board, Saskatchewan Sheep Development Board, and Saskatchewan Turkey Producers' Marketing Board. In 1999, the Department of Agriculture and Food and our Office agreed that the most efficient way for our Office to examine these smaller agricultural marketing and development agencies would be to work through the Agricultural and Food Products Development and Marketing Council. As part of our audit of the Department of Agriculture and Food, we examine the supervisory work carried out by the Council regarding the financial statements of these agencies and the rules and procedures to safeguard and control their assets and to comply with legislative authorities.

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- ◆ In previous reports to the Assembly, we reported that when the basic financial management issues are in hand, we would rotate our financial audits of district health boards, i.e., we would not audit every district health board each year. Many districts now have sound financial systems. Accordingly, we only participated in the audits of seven district health boards.
- ◆ For 1998-99 we participated in the audits of three colleges of the nine regional colleges.

In our opinion, for all audits we participated in and completed our work by the date of this Report, the financial statements are reliable, except for:

- ◆ Workers' Compensation Board (WCB). Chapter 12 of our 1999 Fall Report – Volume 2 explains why WCB's financial statements for the year ended December 31, 1998 are not reliable. We have not yet completed our audit of the WCB for the year ended December 31, 1999.
- ◆ Saskatchewan Agricultural Stabilization Fund. The Saskatchewan Agricultural Stabilization Fund's financial statements are not reliable because the Fund did not properly record transfers from the General Revenue Fund.
- ◆ Sask Pork. Sask Pork's financial statements are not reliable because it did not have adequate rules and procedures to ensure conference fee revenue it received during the year was complete and accurate.

The following table lists all Crown agencies whose accounts are audited by appointed auditors, names the appointed auditor, sets out the agency's year end, shows if we participated in the audit of the agency, and sets out if we think the agency's financial statements are reliable.

Our 1999 Fall Report - Volume 2 reported on the rules and procedures used by Crown agencies to safeguard and control their assets and the agencies' compliance with authorities for audits completed by October 31, 1999. We will report the results of the remaining audits in 2000.

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Crown Agency	Appointed Auditor	Year End Date	Participated in Audit	Financial Statements are Reliable
Agricultural Credit Corporation of Saskatchewan	PricewaterhouseCoopers	March 31, 1999	Yes	Yes
Assiniboine Valley District Health Board	Parker Quine	March 31, 1999	No	N/A
Associated Entities Fund	KPMG	March 31, 1999	Yes	Yes
Battlefords District Health Board	Eaket, Menssa, Baert, and Cameron	March 31, 1999	No	N/A
Carlton Trail Regional College	E.J.C. Dudley & Co.	June 30, 1999	Yes	Yes
Central Plains District Health Board	Ernst & Young	March 31, 1999	No	N/A
Crop Reinsurance Fund of Saskatchewan	KPMG	March 31, 1999	Yes	Yes
Cumberland Regional College	Neumann & Neumann	June 30, 1999	No	N/A
Cypress Hills Regional College	Stark & Marsh	June 30, 1999	No	N/A
East Central District Health Board	Parker Quine	March 31, 1999	No	N/A
First Nations Fund	KPMG	March 31, 1999	No	N/A
Gabriel Springs District Health Board	Robert A. Kenny, CA	March 31, 1999	Yes	Yes
Greenhead District Health Board	Close, Perkins & Hauta	March 31, 1999	Yes	Yes
Keewatin Yathe District Health Board	Ernst & Young	March 31, 1999	Yes	Yes
Living Sky District Health Board	Parker Quine	March 31, 1999	No	N/A
Lloydminster District Health Board	Wilkinson Livingston Stevens	March 31, 1999	No	N/A
Midwest District Health Board	KPMG	March 31, 1999	No	N/A
Moose Jaw-Thunder Creek District Health Board	Robert A. Tiede, CA	March 31, 1999	Yes	Yes
Moose Mountain District Health Board	Meyers Norris Penny	March 31, 1999	No	N/A
Municipal Financing Corporation of Saskatchewan	E.J.C. Dudley & Co.	December 31, 1999	Yes	Yes
Municipal Employees' Pension Commission	KPMG	December 31, 1999	Yes	Yes
North Central District Health Board	Meyers Norris Penny	March 31, 1999	No	N/A
North-East District Health Board	Deloitte & Touche	March 31, 1999	No	N/A
Northlands College	Woodhouse, Tucker & Partners	June 30, 1999	No	N/A
North Valley District Health Board	Skilnick Robertson Besler Miller & Co.	March 31, 1999	No	N/A
Northwest District Health Board	Ernst & Young	March 31, 1999	Yes	Yes
North West Regional College	Downie, Johnson, Svenkeson	June 30, 1999	Yes	Yes
Parkland District Health Board	Deloitte & Touche	March 31, 1999	No	N/A
Parkland Regional College	Skilnick Robertson Besler Miller & Co.	June 30, 1999	Yes	Yes
Pasquia District Health Board	Neumann & Neumann	March 31, 1999	No	N/A
Pipestone District Health Board	Meyers Norris Penny	March 31, 1999	No	N/A

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Crown Agency	Appointed Auditor	Year End Date	Participated in Audit	Financial Statements are Reliable
Prairie West District Health Board	Close Perkins & Hauta	March 31, 1999	Yes	Yes
Prairie West Regional College	Gilchrist & Co.	June 30, 1999	No	N/A
Prince Albert District Health Board	Woodhouse, Tucker & Partners	March 31, 1999	Yes	Yes
Public Employees' Pension Plan	KPMG	March 31, 1999	Yes	Yes
Rolling Hills District Health Board	Stark & Marsh	March 31, 1999	No	N/A
Saskatchewan Agricultural Stabilization Fund	KPMG	March 31, 1999	Yes	No
Saskatchewan Auto Fund	KPMG	December 31, 1999	Yes	Yes
Saskatchewan Alfalfa Seed Producers' Development Commission	Hergott Duval Stack & Partners	July 31, 1999	No	N/A
Saskatchewan Broiler Hatching Egg Producers' Marketing Board	Curtis Hepting, CMA	December 31, 1999	No	N/A
Chicken Farmers of Saskatchewan	PricewaterhouseCoopers	December 31, 1999	No	N/A
Saskatchewan Commercial Egg Producers' Marketing Board	E. J.C. Dudley & Co.	December 31, 1999	No	N/A
Saskatchewan Communications Network Corporation	Hill McKillop	March 31, 1999	Yes	Yes
Saskatchewan Crop Insurance Corporation	KPMG	March 31, 1999	Yes	Yes
Saskatchewan Flax Development Commission	Merv Culham, CA	July 31, 1999	No	N/A
Saskatchewan Grain Car Corporation	Skilnick Robertson Besler Miller & Co.	July 31, 1999	Yes	Yes
Saskatchewan Housing Corporation	KPMG	December 31, 1999	Yes	Yes
Saskatchewan Indian Regional College	KPMG	June 30, 1999	No	N/A
Saskatchewan Lotteries Trust Fund for Sport, Culture, and Recreation	KPMG	March 31, 1999	Yes	Yes
Saskatchewan Pension Plan	Ernst & Young	December 31, 1999	Yes	Yes
Saskatchewan Property Management Corporation	Ernst & Young	March 31, 1999	Yes	Yes
Saskatchewan Pulse Crop Development Board	Hergott, Duvall, Stack & Partners	August 31, 1999	No	N/A
Saskatchewan Sheep Development Board	Greenspan & Associates	December 31, 1999	No	N/A
Saskatchewan Turkey Producers' Marketing Board	Hergott Duval Stack & Partners	December 31, 1999	No	N/A
Saskatchewan Wetland Conservation Corporation	PricewaterhouseCoopers	March 31, 1999	Yes	Yes
Saskatoon District Health Board	KPMG	March 31, 1999	Yes	Yes
SaskPen Properties Ltd.	Deloitte & Touche	December 31, 1999	No	N/A
Sask Pork *	KPMG	December 31, 1998	Yes	Yes
Sask Pork	Deloitte & Touche	December 31, 1999	Yes	No

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Crown Agency	Appointed Auditor	Year End Date	Participated in Audit	Financial Statements are Reliable
South Central District Health Board	Court & Laidlaw	March 31, 1999	No	N/A
South Country District Health Board	Stark & Marsh	March 31, 1999	No	N/A
South East District Health Board	Meyers Norris Penny	March 31, 1999	No	N/A
Southeast Regional College	Hillstead, Melanson Accounting & Tax Services	June 30, 1999	No	N/A
Southwest District Health Board	Stark & Marsh	March 31, 1999	No	N/A
SP Two Properties Ltd.	Deloitte & Touche	March 31, 1999	No	N/A
Swift Current District Health Board	Stark & Marsh	March 31, 1999	No	N/A
Touchwood Qu'Appelle District Health Board	Mintz & Wallace	March 31, 1999	No	N/A
Twin Rivers District Health Board	Wilkinson Livingston Stevens	March 31, 1999	No	N/A
Workers' Compensation Board *	Deloitte & Touche	December 31, 1998	Yes	No
Workers' Compensation Board	Deloitte & Touche	December 31, 1999	Yes	**
Workers' Compensation Board Superannuation Plan	Deloitte & Touche	December 31, 1999	Yes	Yes

* The audit is included in this schedule because the audit was not finished in time for last year's Report.

** Audit of financial statements not finished at the date of this Report.